

NEVADA ENVIRONMENTAL RESPONSE TRUST

Quarterly Stakeholder Call

1:30 PM PST, November 2, 2016

Attendees:	NDEP:	James (JD) Dotchin, James Carlton Parker, Weiquan Dong, Lisa Fleming, Sandi Gotta
	NV AG:	Micheline Fairbank, Rick Perdomo
	CAP:	Scott Bryan
	SNWA:	Todd Tietjen
	MWD:	Jill Teraoka, Carol Nagai, Maria Lopez, Mickey Chaudhuri
	NERT:	Jay Steinberg, Andrew Steinberg, Steve Clough, Mark Hatch
	Ramboll Environ:	Allan DeLorme, John Pekala, Kim Kuwabara
	Tetra Tech:	Derek Amidon, Dan Pastor, Roy Marroquin
	Foley & Lardner LLP:	Tanya O'Neill
	AECOM:	Harry Van Den Berg, Sally Bilodeau, Carmen Caceres-Schnell
	Broadbent:	Kirk Stowers
	GeoPentech:	Eric Fordham

1. Opening remarks. JD presented the opening remarks.
2. Financial Update. Mark Hatch presented the Financial Update slides. The current balance in the equities accounts includes the final installment of the planned 6-month cost averaging plan. Jay Steinberg and Andrew Steinberg presented the ACG report of assets as of 9/30/16 related to the assets held at US Bank. The Annual Meeting with ACG and US Bank was October 27. Andrew presented the budget slide. The budget amounts as presented did not include the pending Budget Amendment 2016-02. Jill Teraoka asked about the reallocation of the Unit 1 Demolition costs from an all environmental expense to part environmental and part administrative. Andrew explained that the project was initially environmental in nature but later determined that demolition wasn't necessary for the RI investigation. Since it still posed a safety and liability risk, the task was transferred to the administrative budget and limited to approximately the first 50 feet closest to the road, hence the revised term of "limited demo," which is now complete. Jay remarked that only the chlorine line remained of the 50 foot section that was removed. Jill asked if the increase in budget to the RI was due to the EE/CA for the weir project. Andrew confirmed that the L and M tasks included costs associated with the weir project. Mickey Chaudhuri asked if the weir and AP-5 projects were 2016 or 2017 projects. Andrew answered that the AP-5 project was mostly in 2016 but there will be some carryover to 2017. The weir project was mostly to be completed in 2017 as a roll-over from the current year budget. Jill asked about a cash projection. Andrew said a 10-year forecast would be presented in March at the annual meeting. Quarterly projections would be prepared and distributed, including 5 year forecasts. These forecasts would start to include the expansion of the RI into the Eastside area and possible redefined remedial objectives as well.

3. Remedial Investigation. Steve Clough presented the Unit 4 and 5 Investigation Update slides. He noted that under the 2nd mobilization sampling event, 3 soil borings were advanced to 150 feet. Dan Pastor discussed the approach for the 2nd mobilization sampling event. When presenting the maps, Dan explained in detail which of the borings were the initial deep borings and which were additional based on the initial results. There were also additional borings for the trench, cracks and tunnels that were found during the investigation. Regarding the perchlorate in soil, it was noted that there are two depth horizons of perchlorate in the soil and the section in the upper 45 feet was primarily under Unit 4. After looking at the various 3D models, Eric Fordham asked if there was any work to expand the investigation laterally. Dan answered that there was, both step out and step down borings are being planned. Eric asked if it was “super saturated” to which Dan answered no, not in the soil. Steve added that the soil moisture was evaluated and based on that analysis, there do not appear to be any leaking utilities flushing out perchlorate. Eric asked if there was any fingerling leaching. The answer was that we can’t be sure but there is no ongoing leaching to the groundwater. In discussing the Next Steps (slide 16) it was noted that the 1 additional step-down boring to 250 feet will be in the NW corner of Unit 4. Jill Teraoka asked for a map and Steve said he would send it out.
4. Phase 2 Investigation Update. John Pekala presented the Phase 2 Investigation Update slides. Jill Teraoka asked where in Budget Amendment A02 would this task be located. Andrew Steinberg responded in M03 and M08.
5. Introduction to Phase 3 Investigation. Allan DeLorme presented the Introduction to Phase 3 Investigation slides. Using the map on slide 20, Allan identified the existing investigation areas, AECOM’s downgradient investigation area and the new Phase 3 RI area. JD Dotchin noted that it is believed that the perchlorate migrated into the Phase 3 RI area from the former Tronox/Kerr-McGee site via the former Beta Ditch. Referring to the Historical Features / Sources slide, Allan indicated that the Northern RIBs (Rapid Infiltration Basins) were used by the City of Henderson from the mid 1980’s to mid 2000’s. The former BMI upper and lower ponds were used without liners from the 1940’s to early 1970’s, after which use of the ponds was discontinued in accordance with the requirements of the Clean Water Act. Portions of the area were lined and operated as evaporation ponds until 2005. Regarding the RIB’s, it was explained that they were not part of BMI and were used for municipal wastewater treatment. Eric Fordham asked if it is known what chemicals were in TIMET’s spray wheel water. Allan replied that historical documents indicated that the spray wheel was used by TIMET for disposal of high-TDS non-contact cooling water and that the BRC investigation looked for all contaminants. Allan then reiterated that the focus for the Phase 3 RI is perchlorate as the primary Henderson Legacy Condition. Eric asked if AMPAC used the ponds and Allan stated that they did not. Referring to the map on slide 22, Allan identified the AMPAC and NERT Plumes. Jill Teraoka asked if there are other sources of perchlorate in the Eastside area. Allan answered not that we are aware of as no other BMI companies manufactured perchlorate and JD concurred. Mickey Chaudhuri asked why there was a high concentration of perchlorate in the NE section of the map. Allan answered that it’s likely due to the use of the ponds in the Eastside area, but more investigation is needed. On the summary of findings section JD stated that the remediation activities conducted

by BRC also evaluated vapor intrusion (VI) as a concern for residential use. Jill asked if BRC had ideas for groundwater remediation. JD answered that nothing had been decided yet, the largest concern is perchlorate in groundwater and there may be an overlap in BRC's and NERT's remediation strategies. The BRC groundwater report will be shared with the stakeholders. JD continued by saying that once Ramboll completes Phase 3 of the RI, we will need the BRC report to put a full remedial plan in place. Andrew Steinberg noted that this will be a 2017 project which will continue into 2018, but it will not delay the current RI. Steve Clough presented the path forward slide to complete this section.

6. RI: Downgradient Study Area. Carlton Parker provided the update for the Downgradient Study Area. Carlton stated that the results of the initial surface water sampling were being integrated into a Surface Water Investigation Plan and they will be sent out to the Stakeholders. He also stated that the work plan for transducer installation was being prepared. Eric Fordham asked for an update on the USGS study. Carlton responded that the contracts were finalized in July and the stations were complete and on-line.
7. Phase 5 Groundwater Model Development. John Pekala presented the slides on the Phase 5 Groundwater Model. It was noted that the Phase 6 model development would be a 2017 task and the future model will incorporate new investigation results from the Phase 2 RI, the Downgradient Investigation (AECOM), and the Eastside Study Area Investigation. Eric Fordham asked if the performance metrics evaluation in the most recent Annual Remedial Performance Report relies on the Phase 4 model and John confirmed that it did.
8. Program Timeline. Steve Clough presented the Program Timeline slides without any questions or comments.
9. NERT GWETS Status & Continuous Optimization Program (COP). Steve Clough presented the GWETS Status slides and noted there had been a spill at LS1 of approximately 1 quart, all of which had been contained. With regard to the NERT IX Treatment System, Steve stressed that the ability to increase our effluent discharge rate was dependent on receipt of the new NPDES and Minor Source Air permits. Mickey Chaudhuri asked what are the long term goals for the IX and what is the flow capacity. Steve said the goal for this system is to be a long-term project to help manage flows and the capacity is 1,000 GPM. Andrew Steinberg added that the IX will also be used as a GW-11 pond management tool. A cost/benefit analysis will be completed to determine how best to use this system, due to the cost of the resin. At the end of the presentation of the COP slides, Mickey asked what COP efforts will be on-going. Steve answered that the AWF still has more capacity, the IX system is coming online and the Soil Flushing pilots will continue. Andrew Steinberg and Jay Steinberg both commented that decisions regarding future COP actions wouldn't be made until after further discussion with NDEP and EPA. Mickey asked about the schedule for enhancing the effluent pipeline to increase throughput. Steve said there were 2 chokepoint locations that were identified and the Trust was proceeding with new designs. The implementation of the

enhancements to the pipeline would be completed during weir construction, after receiving access from the Bureau of Reclamation (BOR).

10. AP-5 Project Status. Dan Pastor presented the AP-5 Project Status slides. Maria Lopez asked if there were any issues caused by the rain. Dan said the rain would help, not hinder progress.
11. SNWA Weir Dewatering Treatment. Andrew Steinberg presented the SNWA Weir Dewatering slides and noted that the initial 30% design was to be submitted to BOR by end of the week. The target for operation of the IX system is still June 1, 2017. The next design stage (60%) is currently in progress and NDEP-BISC is managing the BOR access process. Carlton Parker noted that BOR wants a meeting with Fish & Wildlife to review the NERT IX treatment system.
12. NERT Deliverables. Steve presented the NERT Deliverables slides without any questions or comments.
13. Additional Comments/Questions. There were no further questions so the meeting was adjourned. No date was set for the next quarterly call as it will be the annual in-person meeting in March.